



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 4, 2014

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Request from Councilmember White and Councilmember Rowse
Regarding City Infrastructure

RECOMMENDATION:

That Council consider the request from Councilmember White and Councilmember Rowse regarding City Infrastructure.

DISCUSSION:

Attached is a memorandum from Councilmember White and Councilmember Rowse requesting that staff present to Council a review of the 2008 Infrastructure Report "Keeping Santa Barbara in Shape."

The Infrastructure Report can be viewed at the following link:

http://services.santabarbaraca.gov/Files/City_Administrator/

Staff will be prepared to provide a summary of the report at the Council meeting.

ATTACHMENT: Memorandum From Councilmember Francisco And
Councilmember Rowse Dated January 27, 2014

PREPARED BY: Jennifer Jennings, Administrator's Office Supervisor

SUBMITTED BY: Jim Armstrong, City Administrator

APPROVED BY: City Administrator's Office



City of Santa Barbara
Mayor and Council Office

Memorandum

DATE: January 27, 2014

TO: James L. Armstrong, City Administrator

FROM: *Bendy White* and *Randy Rowse*

SUBJECT: City Infrastructure

- Summary of Information to be Presented to the City Council
A Recap of "Keeping Santa Barbara in Shape"
Infrastructure Financing Report, 2008
- Statement of Specific Action the Council will be asked to take
- Discuss status, advisability, and strategies for moving forward with further action, as described in the attached memo.
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- Statement of the Reasons Why it is Appropriate and Within the Jurisdiction of the Council to Consider this Subject Matter and to Take the Requested Action

Proper Infrastructure maintenance is a fundamental responsibility of City Government. As economic conditions improve, this is an opportune time to resume the Community Dialogue on this critical topic.

Please see the attachment, "Infrastructure 2.4" for more detail.

The foresight and generosity of generations past gave us Santa Barbara's beautiful buildings, boulevards and parks, with the implied promise that they would be maintained in perpetuity. Yet there is a severe backlog of deferred infrastructure maintenance that threatens to degrade our quality of life. Deferred maintenance also damages our ability to generate revenue from tourism, our biggest economic engine.

In 2008, a Taskforce of City leaders released "Keeping Santa Barbara In Shape", which provides an excellent summary of our infrastructure and maintenance needs. The recession of 2008-10 forced the issue to be deferred still further.

We propose that Council take a fresh present-day look at the work of the taskforce and, in collaboration with today's citizen-stakeholders, create a list of priority infrastructure needs. We therefore request that the City Council place this topic on an agenda in the near future. Our hope is that Council can facilitate a community dialogue on the topic to accomplish the following:

Frame the Issue

Convene Stakeholders to develop a strong understanding of the problem

Educate the community

Develop a strategy for making headway that is focused and has a broad base of support.

Implement that strategy.



Infrastructure Financing



City Council Meeting
March 4, 2014

INFRASTRUCTURE FINANCING

Background

- ◆ August 2007, Council approved the formation of an Infrastructure Financing Taskforce
 - On the heels of reviewing the Six-Year CIP that identified \$146 million in unfunded capital needs
 - Did not include all projects; just those with a chance of being funded
 - Currently the unfunded projects Citywide total ~\$368.5 million through FY 2019

INFRASTRUCTURE FINANCING

Summary of Unfunded Projects

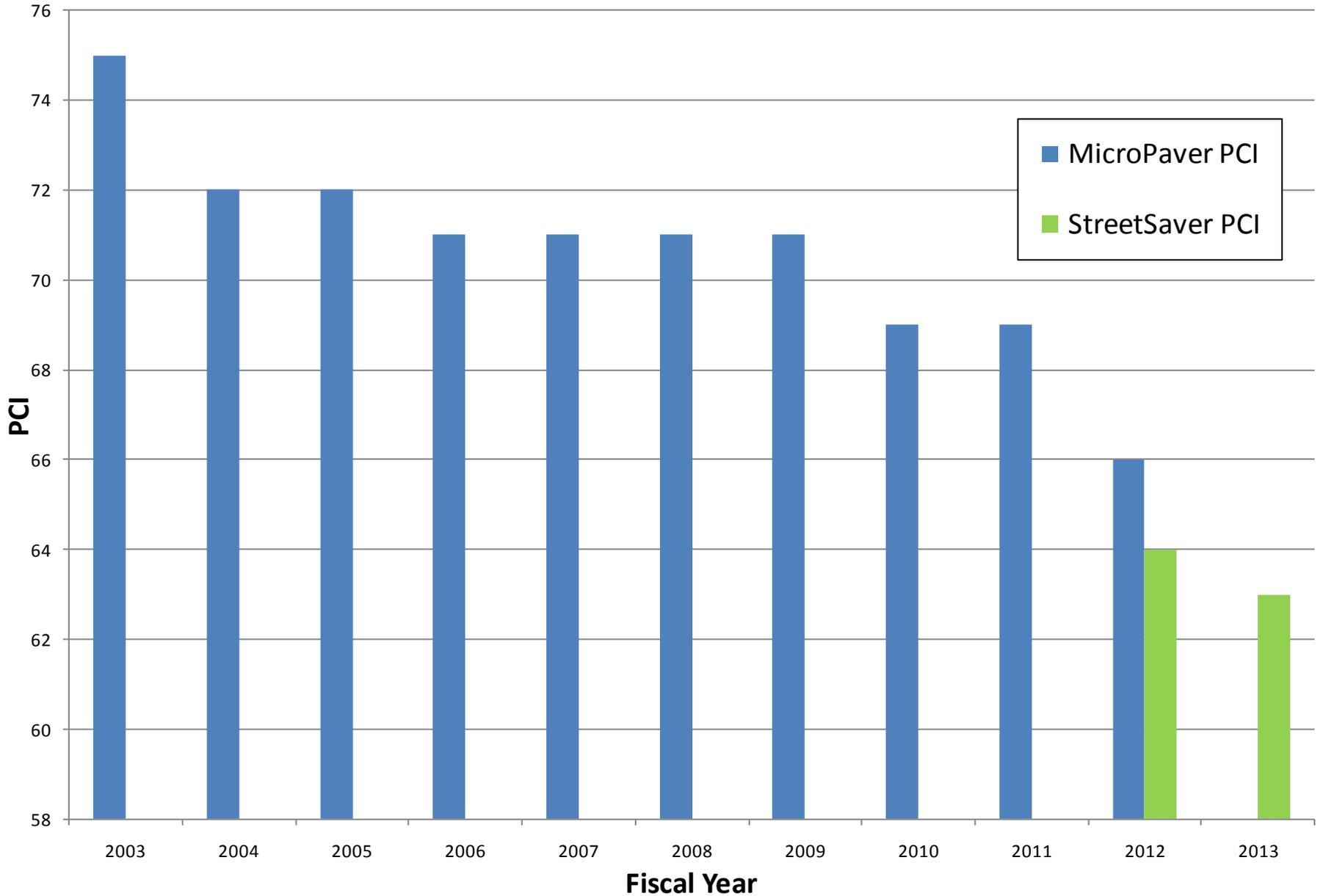
	FY 2014	FY 2015	Total Thru 2019
Administrative Services	\$175,000	\$150,000	\$565,000
Fire	\$330,330	\$522,100	\$1,329,693
Library	\$2,412,000	\$1,300,000	\$8,262,000
Neighborhood Impr. Taskforce	\$815,000	\$1,384,000	\$4,948,000
Parks & Recreation	\$1,417,760	\$3,967,500	\$65,288,260
Police	\$0	\$0	\$54,700,000
Facilities	\$3,056,546	\$2,431,146	\$16,612,693
Streets/Transportation	\$28,603,493	\$21,490,990	\$216,796,800
TOTALS	\$36,810,129	\$31,245,735	\$368,502,446

INFRASTRUCTURE FINANCING

Pavement Management (Streets)

- ◆ Pavement Management System
 - Provides current inventory of City roadways and includes determining the Pavement Condition Index (PCI), maintenance projections and forecasting budget needs
 - 2013 citywide PCI rating is 63 which is considered “good” by State standards
 - 2012 Statewide PCI average was 66
 - City’s street network is at a critical point where pavement conditions will deteriorate more rapidly resulting in more costly repairs

Pavement Condition Index (PCI) for City Asphalt Pavement Roads 2003 - 2013



INFRASTRUCTURE FINANCING

Pavement Management (Streets)

- ◆ Pavement Management System (Continued)
 - City PCI for Primary Arterial roads is 71 which is “very good” by State standards
 - The City places highest priority on streets that are most heavily used
 - Over the past 8 years the City spent an average of \$2M/yr on pavement maintenance construction

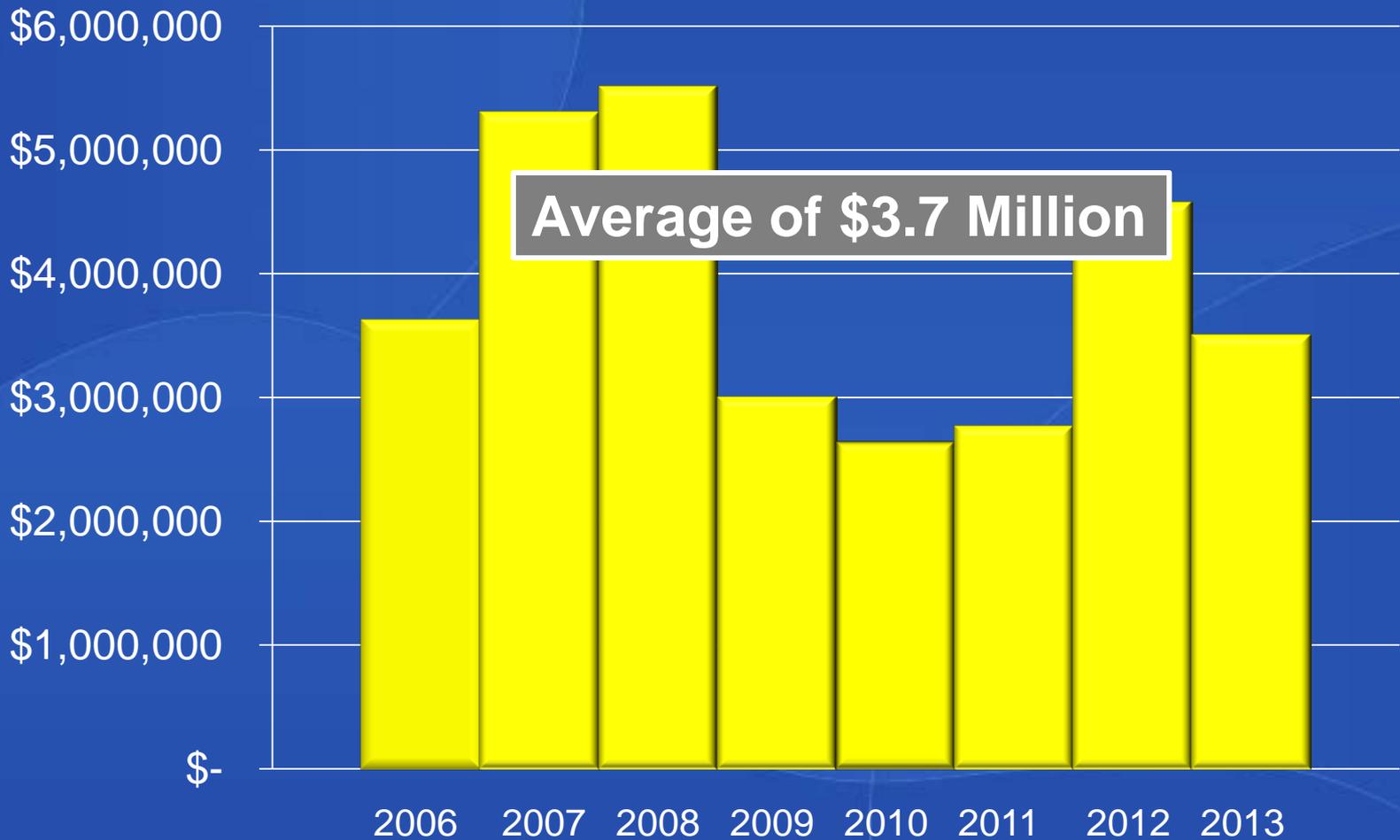
INFRASTRUCTURE FINANCING

Pavement Management (Streets)

- ◆ Pavement Management System (Continued)
 - To maintain a PCI of 63 an average of \$6.7M/yr is needed for pavement maintenance construction
 - Attaining a PCI of 70 is desirable since it is more cost effective to maintain roads in very good condition as compared to roads in poor condition
 - To attain a PCI of 70 an average of \$12.4M /yr for 5 years would need to be budgeted for construction

INFRASTRUCTURE FINANCING

Streets Capital Funding



INFRASTRUCTURE FINANCING

Sidewalk Replacement Program

- ◆ Approximately 7 million sq. ft. of sidewalks in the City (~377 miles)
- ◆ Average life of 50 years
- ◆ Average cost to replace is \$9/sq.ft.
- ◆ Should be spending ~\$1.2 million/yr.
- ◆ Currently funded at \$250,000/yr.

INFRASTRUCTURE FINANCING

Background

- ◆ On January 15, 2008, taskforce was appointed from members of the community
- ◆ Task Force developed a 9 month work plan that involved bi-weekly meetings to:
 - Review current capital planning
 - Review the identified capital needs to ensure that they accurately reflect the needs of the community
 - Review City's overall financial situation
 - Review budgetary practices, reserve policies, and capital financing strategies
 - Make recommendations

INFRASTRUCTURE FINANCING

ITF Financing Recommendations

◆ Highlights

- Commit to implement and achieve an annual 10% “off the top” General Fund capital infrastructure
- Fully fund the annual facility maintenance costs of ~\$2.1 million and conduct the work on a regular basis
- Assess the potential for adding a 0.5% sales tax for critical infrastructure projects
- Maintain the option of issuing new voter approved GO Bonds to pay for major infrastructure projects

INFRASTRUCTURE FINANCING

ITF Management Recommendations

◆ Highlights

- Make Police Station and Fire & Emergency facilities the highest infrastructure priority
- Reduce costs and free up funds for Capital
 - Sunset underutilized and outdated programs
 - Initiate zero-based budgeting once every 4 years
 - Close, lease or sell GF facilities that are not needed
 - Dispose of surplus property
- Implement periodic reporting to enable Council to track and review progress

INFRASTRUCTURE FINANCING

Where Are We in Implementing Rec.?

- ◆ Great recession occurred close to the completion of the report
 - General Fund was significantly impacted
 - Approximately 80 positions were eliminated through attrition
 - Approximately \$10 million in cuts were made to operations, primarily non-safety areas
 - Recommendation to reduce costs and free up funds for capital partially met
 - Costs reduction/efficiencies achieved in response to revenue declines

INFRASTRUCTURE FINANCING

Where Are We in Implementing Rec.?

- ◆ Major projects funded in the last few years:
 - Fire Station #1 Remodel
 - Carrillo Recreation Center
 - Park improvements and restrooms
 - West Beach Pedestrian Improvements
- ◆ Funding to facilities program totals \$1 Million (vs. \$2.1 million recommended)

INFRASTRUCTURE FINANCING

Where Are We in Implementing Rec.?

- ◆ Remaining RDA bond proceeds of ~\$14 million have been allocated
 - Cabrillo Bathhouse at Arts Pavilion (\$9.1 M)
 - Police 911 Call Center Move (\$2.3 M)
 - West Downtown Lighting Phases I and II (\$1.3 M)
 - Ensemble Theater (\$950,000)
 - Bath Street Pocket Park (\$250,000)

INFRASTRUCTURE FINANCING

Where Are We in Implementing Rec.?

- ◆ Modified Reserves Policy to increase General Fund capital when surpluses occur (50% Rule)
- ◆ Slowly increasing General Fund Capital
- ◆ Funded a variety of projects with \$4.3 million of one-time monies
 - Includes ~\$500,000 from the sale of surplus property



DIRECTION FROM COUNCIL

NEXT STEPS?